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Individual health mandate won't solve state's health-care challenges

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In crafting solutions to our state's health-care challenges, my colleagues have put forward a number of wide-ranging proposals that, if enacted, would affect how every Californian receives health care. As the owner of an insurance agency in Orange County, I bring a unique perspective to the debate, having worked to help families and businesses meet their individual insurance needs for more than 30 years.

Governor Schwarzenegger has succeeded in placing health-care reform at the top of the agenda this year. I commend him and our colleagues for making the reduction of the number of uninsured Californians an important priority. Though we may differ on the scope of the problem or what solution is best for our state, enabling more Californians to purchase affordable health coverage is a goal we may all share.

But requiring every Californian to purchase health insurance under an individual mandate and forcing insurance companies to cover everyone who applies regardless of their medical history is the wrong approach. It won't make it easier for working families to afford health coverage and it won't lower costs.

Basic economics tells us that markets adapt to existing conditions, and that attempts to "proactively" control the marketplace can have inefficient and sometimes disastrous results. If insurance companies are forced to cover every applicant without being able to take their risk into account, the likely result will be that insurance companies leaving California in droves and policyholders in the lurch.

One of the reasons why health insurance has become so expensive in recent years is the explosion of mandates on employers and insurance companies imposed by Sacramento politicians. If employers and individuals want to buy comprehensive health insurance, they are forced to purchase costly, one-size-fits-all plans that encompass literally dozens and dozens of expensive treatments required by lawmakers. This is regardless of whether they even want these services or will ever use them.

As an insurance agent, I heard countless complaints from customers who were frustrated with the expensive premiums and rising costs of current health plans. Others complained about the lack of choices in the marketplace and the inability to purchase health plans that are better tailored to their specific health needs. Many of the small businesses I worked with wanted to purchase health insurance for their hard-working employees, but simply could not afford the costs. They would go out of business.

Assembly Republicans believe that we must reform health care in a fiscally responsible manner, crafting common-sense solutions focused on the real problems with health care and that won't bust the budget. We are focused on making health coverage more affordable for small business and individuals, while giving Californians more choices and freedom in their health-care decision making.

Lawmakers also must allow families and businesses to shop around and find health plans that

fit both their budget and their individual needs. Californians should not have to settle for one-size-fits-all plans anymore. One option that could make a real difference in encouraging the young and healthy to purchase health insurance is the catastrophic care plan, which would provide basic coverage for serious health emergencies that may arise at an affordable rate.

Tax incentives also may reduce out-of-pocket costs for individuals and enable more businesses to offer to cover their workers and provide individualized plans. Individuals encouraged to purchase their own insurance plans, outside of their employment, will guarantee themselves that they always have coverage, even when they change jobs. Conforming state tax law on health-savings accounts will give employers another sound option for providing health care to their workers. With health-savings accounts, contributions are made to tax-free accounts that may be used to purchase health services that meet individual needs.

We have a golden opportunity before us to significantly improve California's health-care and coverage dilemmas. I hope my years of experience as an insurance agent will be put to good use as we work together to responsibly reform health care this year.